



General Assembly

February Session, 2006

Raised Bill No. 391

LCO No. 1976

01976_____GL_

Referred to Committee on General Law

Introduced by:
(GL)

***AN ACT CONCERNING THE SALE OF HOME HEATING OIL AND
PROPANE FUEL.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-329 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) The standard gallon shall be the unit of measurement for all sales
4 of gasoline, kerosene, fuel oils or similar substances sold or offered for
5 sale for the purpose of creating power or heat. Each delivery of
6 gasoline in a quantity of fifty gallons or more and each delivery of
7 kerosene, fuel oil or similar substance in a quantity of five gallons or
8 more shall be the complete contents of a vehicle tank or it shall be
9 through a meter. Each such tank or meter shall be sealed by a sealer of
10 weights and measures before being used. The term "vehicle tank", as
11 used herein, means a container, which may or may not be subdivided
12 into two or more compartments, mounted upon a wagon or motor
13 truck and used for the delivery of such fluids. The term "compartment"
14 means the entire tank whenever the tank is not subdivided; otherwise
15 it means any one of those subdivided portions of the tank which are
16 designed to hold such fluids. Each delivery through a meter shall be

17 delivered through a meter equipped with a numeral reset counter, a
18 register with a zero start or an accumulative ticket printer, which
19 meters shall print an accurate record of all deliveries in gallons and
20 tenths. Such ticket printer shall print the gallonage reading of the
21 meter before and after delivery is made and each ticket shall be locked
22 in the meter between readings so as to prevent fraud. Each delivery
23 shall be accompanied by a delivery ticket and a duplicate thereof, on
24 which shall be distinctly expressed in ink or other indelible substance,
25 in gallons, or gallons and tenths when so required, the quantity of such
26 fluid so delivered, with the name of the seller and the name of the
27 purchaser of such fluid. One of such tickets shall be surrendered, upon
28 demand, to the sealer of weights and measures, for his inspection, and
29 such ticket or, when the sealer desires to retain the original ticket, a
30 measure slip issued by the seller or his agent, shall be delivered to the
31 purchaser or his agent or representative at the time of the delivery of
32 such fluid. If the purchaser or his agent takes such fluid from the place
33 of purchase, a delivery ticket showing the actual number of gallons, or
34 gallons and tenths, delivered shall be given to the purchaser or his
35 agent at the time of delivery. Delivery tickets shall bear the name or
36 identification number of the seller's driver and shall be sequentially
37 numbered. Copies of delivery tickets shall be retained by the seller for
38 one year and shall be available for inspection during normal business
39 hours. No seller, or agent of such seller, shall possess a delivery ticket
40 which has been printed with a record of a delivery which has not
41 occurred. The method of determining the number of gallons of any
42 such fluid delivered shall be by measuring the same in measures that
43 have been tested and sealed by a sealer of weights and measures.

44 (b) No person, firm or corporation shall sell at retail fuel oil or
45 propane gas to be used for residential heating unless the delivery ticket
46 given to the purchaser or an agent of the purchaser at the time of
47 delivery clearly and conspicuously indicates the unit price, the total
48 number of units sold and the amount of any delivery surcharge, as
49 defined in subsection (c) of this section. No such person, firm or
50 corporation may bill or otherwise attempt to collect from any such

51 purchaser an amount which exceeds such unit price, multiplied by the
52 total number of units stated on the delivery ticket, plus the amount of
53 any such delivery surcharge. For purposes of this section, "unit price"
54 means price per gallon, computed to the nearest tenth of a whole cent.

55 (c) A retail dealer of fuel oil or propane gas shall not assess a
56 surcharge on the price of fuel oil or propane delivered to a purchaser if
57 the delivery of such fuel oil or propane is in excess of one hundred
58 twenty-five gallons. A surcharge may be assessed for any amount of
59 fuel oil or propane delivered if delivery is made outside the normal
60 service area or business hours of the dealer or extraordinary labor costs
61 are involved in making the delivery.

62 ~~[(b)]~~ (d) The provisions of this section shall not apply to barge,
63 railroad tank car, drum or slow flow meter delivery.

64 ~~[(c)]~~ (e) The provisions of this section requiring meters to print
65 tenths of a gallon shall not apply to bulk plant deliveries to a reseller,
66 or bulk delivery of gasoline to service stations for resale. On other
67 high-speed, large volume deliveries, the Commissioner of Consumer
68 Protection may waive the one-tenth gallon requirement, upon request.
69 On all of these deliveries the meters shall print an accurate record in
70 gallons.

71 ~~[(d)]~~ (f) Any person who, by himself or by his agent or employee, or
72 as the employee or agent of another, violates any provision of this
73 section shall be subject to the penalties provided in [section 43-9]
74 chapter 750, concerning weights and measures, or chapter 296,
75 concerning operation of fuel supply businesses, as applicable.

76 Sec. 2. Section 16a-23m of the general statutes is repealed and the
77 following is substituted in lieu thereof (*Effective October 1, 2006*):

78 (a) On or after October 1, 2001, no person, firm or corporation shall
79 engage in the retail sale of home heating oil or propane gas without a
80 certificate of registration as a home heating oil or propane gas dealer

81 issued pursuant to this section. Only one registration shall be required
82 of a dealer to engage in both the retail sale of heating oil and propane
83 gas.

84 (b) Each person, firm or corporation seeking registration as a home
85 heating oil dealer shall apply annually for a certificate of registration
86 with the Department of Consumer Protection on forms prescribed by
87 the Commissioner of Consumer Protection. Each applicant shall pay a
88 registration fee of one hundred dollars. The commissioner shall require
89 all applicants for registration as a home heating oil or propane gas
90 dealer to provide evidence of general liability insurance coverage and
91 insurance to cover any potential environmental damage due to fuel oil
92 spills or propane gas leaks caused by such applicant as a registered
93 dealer which coverage shall be not less than one million dollars. Each
94 registered dealer shall provide the department with evidence of each
95 renewal of or change to such insurance coverage not later than five
96 days after such renewal or change during the period of registration,
97 which renewal or change shall meet the requirements of this
98 subsection.

99 (c) Each registered dealer shall display its registration number in all
100 advertisements and other materials prepared or issued by the dealer,
101 which contain information on such dealer.

102 (d) The insurance company of a home heating oil or propane gas
103 dealer shall notify the Commissioner of Consumer Protection, in
104 writing, upon cancellation of insurance required by subsection (b) of
105 this section by any home heating oil or propane gas dealer. The
106 Commissioner of Consumer Protection shall revoke the registration of
107 any such dealer without the insurance coverage required by subsection
108 (b) of this section.

109 Sec. 3. Section 16a-23n of the 2006 supplement to the general statutes
110 is repealed and the following is substituted in lieu thereof (*Effective*
111 *October 1, 2006*):

112 (a) A contract for the retail sale of home heating oil or propane gas
113 that offers a guaranteed price plan, including fixed price contracts and
114 any other similar terms, shall be in writing and the terms and
115 conditions of such price plans shall be disclosed. Such disclosure shall
116 be in plain language and shall immediately follow the language
117 concerning the price or service that could be affected and shall be
118 printed in no less than twelve-point boldface type of uniform font.

119 (b) A home heating oil or propane gas dealer that advertises a price
120 shall offer said price for a period of no less than twenty-four hours or
121 until the next advertised price is publicized, whichever occurs first.

122 (c) No home heating oil or propane gas dealer shall enter into a
123 prepaid home heating oil contract or a capped price per gallon home
124 heating oil contract unless such dealer has either: (1) Obtained and
125 maintained heating oil or propane gas futures contracts or other
126 similar commitments that allow such dealer to purchase, at a fixed
127 price, heating oil or propane gas in an amount not less than seventy-
128 five per cent of the maximum number of gallons or amount that such
129 dealer is committed to deliver pursuant to all prepaid home heating oil
130 or propane gas contracts entered into by such dealer or that such
131 dealer estimates is committed pursuant to all capped price per gallon
132 home heating oil or propane gas contracts, respectively, or (2) obtained
133 and maintained a surety bond in an amount not less than fifty per cent
134 of the total amount of funds paid to the dealer by consumers pursuant
135 to prepaid home heating oil or propane gas contracts or that the dealer
136 estimates will be paid to the dealer by consumers pursuant to all
137 capped price per gallon home heating oil or propane gas contracts,
138 respectively. Such dealer shall maintain the amount of futures
139 contracts or the amount of the surety bond required by this subsection
140 for the period of time for which such prepaid home heating oil or
141 propane gas contracts or capped price per gallon home heating oil or
142 propane gas contracts are effective, except that the amount of such
143 futures contracts or surety bond may be reduced during such period of
144 time to reflect any amount of home heating oil or propane gas already

145 delivered to and paid for by the consumer.

146 (d) No prepaid home heating oil or propane gas contract shall
147 require any consumer commitment to purchase home heating oil or
148 propane gas pursuant to the terms of such contract for a period of
149 more than eighteen months.

150 (e) Any prepaid home heating oil or propane gas contract shall
151 indicate: (1) The amount of funds paid by the consumer to the dealer
152 under such contract, (2) the maximum number of gallons of home
153 heating oil or maximum amount of propane gas committed by the
154 dealer for delivery to the consumer pursuant to such contract, and (3)
155 that performance of such prepaid home heating oil or propane gas
156 contract is secured by one of the two options described in subsection
157 (c) of this section. Any such contract shall provide that the contract
158 price of any undelivered home heating oil or propane gas owed to the
159 consumer under the contract, on the end date of such contract, shall be
160 reimbursed to the consumer not later than thirty days after the end
161 date of such contract unless the parties to such contract agree
162 otherwise.

163 Sec. 4. Section 16a-23o of the general statutes is repealed and the
164 following is substituted in lieu thereof (*Effective October 1, 2006*):

165 Any person, firm or corporation required to register as a home
166 heating oil or propane gas dealer pursuant to section 16a-23m, as
167 amended by this act, that offers plumbing or heating work service
168 shall submit evidence, deemed satisfactory by the Commissioner of
169 Consumer Protection, when registering, that such person, firm or
170 corporation subcontracts with or employs only persons licensed or
171 registered pursuant to chapter 393 to perform such work. Such person,
172 firm or corporation shall attest, when applying for registration as a
173 dealer pursuant to section 16a-23m, as amended by this act, that all
174 plumbing or heating work service shall be performed in accordance
175 with the provisions of chapter 393. Anyone registered under this
176 section who offers such plumbing or heating services shall display the

177 state license number of the subcontractor or employee performing
178 such work for the registrant on all commercial vehicles used in their
179 business and shall display such number in a conspicuous manner on
180 all printed advertisements, bid proposals, contracts, invoices and
181 stationery used in the business.

182 Sec. 5. Section 16a-23s of the general statutes is repealed and the
183 following is substituted in lieu thereof (*Effective October 1, 2006*):

184 The Department of Consumer Protection shall establish a list of all
185 registered home heating oil and propane gas dealers. The department
186 shall make the list available to all wholesalers of home heating oil or
187 propane gas doing business in the state and such wholesalers shall
188 only sell to the registered home heating oil or propane gas dealers on
189 said list.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	14-329
Sec. 2	<i>October 1, 2006</i>	16a-23m
Sec. 3	<i>October 1, 2006</i>	16a-23n
Sec. 4	<i>October 1, 2006</i>	16a-23o
Sec. 5	<i>October 1, 2006</i>	16a-23s

Statement of Purpose:

To improve unit pricing and surcharge information available to the Department of Consumer Protection for home heating fuel deliveries and to create a license for propane gas dealers that sell at retail.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]